FEDERATION OF RHODESIA AND NYASALAND (Federation)
Ministry of economic affairs

FEDERAL GOVERNMENT DEVELOPMENT PLAN 1962–1965

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FEDERATION OF RHODESIA AND NYASALAND

Federal Government Development Plan, 1962–1965

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THE FEDERAL GOVERNMENT DEVELOPMENT PLAN 1962–65

A. Introduction, Aims, Policies and Future Rate of Growth of the Economy

Introduction

1. It is the policy of the Federal Government to ensure that private enterprise participates in the economy over as wide a field as possible and to focus the economic activity of Government on the creation of the best possible climate for expansion, including the provision of basic services.

2. This allocation of a dominant economic role to private enterprise, and the substantial division of responsibility even in the public sector in the Federation between Federal and Territorial Governments and local authorities, implies that the development plan of the Federal Government, or even of all the governments, forms a part only, if an important part, of the development plans of the Federation. A vital role is played by policies in the private sector. This division of planning responsibility calls for close co-ordination between the governments themselves, between governments and the private sector, and within the governments.

3. Constitutionally, a Loan Council exercises part of the inter-governmental co-ordinating role through regulation and allocation of external borrowings. In addition, it was agreed in 1956 that there should be closer co-operation between the Federal and Territorial Governments in the preparation of development plans, and a Development Planning Group of officials was constituted, representing all four governments with a federal official as chairman. Co-ordinating machinery has also been established between the Government and some sections of the private sector. Each year forecasts of future production, demand for services, marketing patterns and other information, are provided on a confidential basis. Every opportunity will continue to be taken by the Federal Government to improve upon arrangements and methods for co-ordination of plans and policies within the Federation.

4. An important instrument of co-ordination is the preparation and dissemination of forecasts of growth in individual sectors and in the economy as a whole. Such forecasts serve both as a background against which development plans can be constructed and a means whereby they can be tested for consistency and feasibility. The Federation is not a centrally planned or rigidly controlled economy and it is, moreover, open to a major extent to fluctuations in external economic conditions. Thus, any forecast must be based largely on assumptions rather than on intentions. To the extent that internal and external factors outside the control of the governments invalidate assumptions, their effect on events can be set against the forecasts, and in this way the forecasts also provide a yardstick which will assist in indicating changes from the plan which may be necessary during its currency. Forecasts of the

growth of the economy of the Federation have been prepared for the 1962–65 plan and are discussed below.

5. As is apparent from the foregoing, development planning in the Federation as a whole is decentralized to several governments and to the elements of the private sector, and this system is also followed within the Federal Government. Planning is treated as a function, not solely of one special body or ministry, but of all elements of the Government and its agencies. There is a small Development Planning Committee, consisting of officials of the Ministry of Economic Affairs and the Treasury, whose task is to recommend to Ministers the form and content of the development plan, and changes in that plan from time to time. The Committee does not generally initiate projects, however, but is concerned mainly to reconcile and co-ordinate the proposals of individual ministries with each other, with the policies and plans of the Federal and Territorial Governments and the private sector, and with available resources. Final decisions on the plan are taken by the Federal Cabinet. The plan is not a statutory instrument but is implemented year by year through the normal machinery of government and its statutory bodies.

6. Among the more important factors taken into consideration during the preparation of the present plan have been the following:

(a) Consistency between the investment programme of the Federal Government and policies of the governments.

(b) The provision of basic services on a scale consistent with the expected growth of the economy as a whole, and in particular with the expected growth of the private sector, thus ensuring that there will be no lack of basic services which might restrain growth.

(c) The avoidance of undue strain upon the internal finances of the Federation or upon its external balance of payments.

(d) The assessment of future demands for recurrent expenditure and scarce skilled manpower, which will flow from the Federal Government capital expenditure programme, and the likelihood of the resources being available.

(e) The need for making the optimum use of available financial resources by ensuring that the cost of projects will be the minimum consistent with adequate standards.

(f) The consistency of the government investment programme with available capital resources.

7. It follows from what has been said above that the Federal Government development plan for the period from 1st July 1962 to 30th June 1965 consists of the progressive implementation of its general policies in all fields and not of its capital investment programme alone. Most of those policies are at present envisaged as of indefinite duration and not merely for application from now until 1965, and they are more

appropriately detailed in publications other than this document, including the reports of various ministries and departments, and the statutory bodies. The capital investment programme is outlined in some detail below, and includes some reference to policies in particular fields but, for perspective, the economic aims and policies of the Federal Government are briefly summarized here.

Government Economic Aims and Policies

8. The central aim of the economic policy of the Federal Government is to raise, at the highest possible rate, the real national income per head. Therefore, while a comprehensive list of priorities for all activities of government cannot be drawn up on a rigid basis in advance, action likely to be most effective in achieving this aim will generally be placed in the highest priority categories. The sectors of agriculture, mining and manufacturing are, in the long term, the major direct generators of income, and also in the final analysis determine growth in other sectors and in the whole economy. Measures to promote the growth of these sectors will, therefore, be assigned to the highest priority category. Because of the special problems arising from the size and stagnation of the subsistence economy, the conversion of that economy, on a selective basis, into a cash economy, is a major factor in achieving the central aim of real growth in income per head and measures to this end will also be placed in the highest category.

9. The achievement of the foregoing aim will require the most effective mobilization of available resources and a constant search for additional resources within and outside the Federation. A major resource of the country is its people and the existing unemployment and under-employment of labour is not only a serious social problem, but also reflects the existence of an unused economic resource. In selecting projects for the capital investment programme and in applying general policies, those forms of activity which are labour intensive will receive special attention.

10. Some reallocation of resources, away from social and other less directly productive services, will also be necessary. Technical and higher education, and other activities which directly assist in augmenting scarce economic resources or otherwise play an essential part in facilitating economic growth will, however, continue to receive a high priority.

Rate of Growth of the Economy during the Period 1962–65

11. It is considered that for the period 1962–65 it is realistic to aim at raising the real national income per head by at least 2 per cent. per annum, which implies an increase of about 4½ per cent. or more per annum in the real gross national product. This target assumes a resolution of the present constitutional issues and an improved political climate. Moreover, in the case of any economy so dependent on exports

as that of the Federation, external factors beyond the control of governments in the Federation may also invalidate assumptions which have been made in reaching this conclusion, which must, therefore, be treated as 'subject to external factors'. Among the more important factors taken into account in making the forecast were the following:

(a) Policies and investment programmes in the public sector. (These plans and policies are known with some accuracy.)

(b) Policies and plans of the private sector. (A difficult problem in relation to the rate of growth of the private sector is the forecasting of growth which will be brought about by the establishment of firms not yet in existence. In the normal course, a considerable proportion of industrial growth in the Federation is attributable to new undertakings.)

(c) Internal and external markets, growth in population, changes in consumption patterns and income levels.

(d) Past experience recorded in the form of statistics. (With which the Federation is well supplied in comparison with other underdeveloped countries.)

(e) Feasibility tests. (Forecasts of growth have, for example, been tested for consistency with forecasts of new investment, availability of additional skilled personnel, and government policies; and, in the case of the government, for consistency between investment programmes and future revenue expenditure programmes.)

12. A brief summary of the forecasts which were prepared in conjunction with the preparation of the plan can be seen at Annexure I.

B. Investment Programmes of Federal Government Ministries, Departments and Statutory Bodies

General

13. Planned investment expenditure by Federal Government ministries, departments and statutory bodies for the period 1962–65 is summarized in Annexure II, and is described in more detail below.

14. A number of changes, as compared with past practice, have been incorporated in the programme, and the more important of these are outlined below:

(a) The coverage of the planned investment by the Federal Government and its agencies has been extended in several respects. Thus, the investment programmes of several public bodies, which were not reflected in previous plans by reason of the fact that they were not financed from federal loan votes, have been included. Capital expenditure financed by statutory bodies from depreciation provisions or other internal resources was previously included in some cases and not in others. The programme now

reflects gross investment, including depreciation, as a general rule. The coverage of estimated capital expenditure by the Federal Government on revenue votes has been extended and is now complete as far as significant items are concerned.

(b) A more detailed and informative breakdown of expenditure has been adopted.

(c) In place of past practice, which was to prepare plans for four years, reviewed and extended every two years, the plan covers three years, and no routine intermediate review is proposed. The present proposals cover the period 1962–65, and it is envisaged that the next plan will cover the period 1965–68. It has been found in practice that the foreknowledge by ministries and departments of the routine two-yearly review has had the result that each four-year plan has been treated as, and has tended to become, a two-year plan. Although it would be unrealistic to exclude the possibility of *ad hoc* review, the adoption of the three-year basis offers the prospect of longer-term planning than has effectively resulted in the past from nominal four-year plans.

(d) In the past, Federal Government investment programmes have been confined to levels of capital expenditure consistent with resources actually in sight, or reasonably estimated. The present programme is drawn up in two parts. Part I is confined to projects for which resources can be foreseen at the time of approval of the plan. Part II covers other projects, which the Government considers to be necessary, and which will be undertaken if resources become available.

15. The provisions for Federal Government development expenditure are consistent with the rate of growth of the economy envisaged in Section A and Annexure I. A good example of the methods whereby such consistency is achieved is provided by the Rhodesia Railways Traffic Estimates Committee, which meets each year to forecast traffic demands for Rhodesia Railways for the following four years. Representatives on the committee include a representative from the Development Planning Committee, and representatives from ministries, firms and organizations possessing information relevant to the assessment of future demands on the railways. The forecasts of this committee are the basis for the development plans of the Rhodesia Railways, and the knowledge gained by the Development Planning Committee representative at the committee meetings is used when forecasts of the growth of other sectors of the economy have to be made. At the present time the Federation is in a fortunate position in that the provision of basic services such as power, transport, water and coal is adequate and does not give rise to bottlenecks. Nevertheless, the investment programme must ensure that these services continue to expand to the extent necessary to meet expected demands.

16. In many cases it is not possible directly to relate planned public capital expenditure to forecasts of the rate of growth. In such cases the provision has had to be based on the merits of the project in

question. In other cases, where development expenditure is designed to stimulate the growth of the economy rather than to serve its requirements through the provision of services, the forecasts of the rate of growth have been adjusted to accord with the planned expenditure rather than *vice versa*.

17. The building industry has suffered severely from the fall in the rate of capital investment in the Federation in recent years. The following table comparing past actual loan vote expenditure by the Ministry of Works with the planned provision for 1962–65 is therefore of particular relevance:

Loan Vote Expenditure: Ministry of Works

Year	*Expenditure £ million*
1956–57	3.454
1957–58	3.430
1958–59	3.006
1959–60	2.925
1960–61	3.617
1961–62 (estimated)	3.427
1962–63 (planned)	3.572
1963–64 (planned)	3.065
1964–65 (planned)	2.924

To the extent that the actual expenditure in 1961–62 falls short of the estimate above, the figures for the years 1962–65 will be increased accordingly.

18. It will be noted that proposed expenditure for 1962–63 is higher than in any year since 1956–57 and that the average annual expenditure envisaged for the period 1962–65, at £3.2 million, is similar to the average in the past. In addition to loan vote items, substantial capital expenditure is incurred by the Ministry of Works on revenue votes.

19. Direct comparisons between the 1962–65 development plan and the 1959–63 plan would distort the picture, because of the substantial fluctuations in expenditure relating to the Kariba power project. In the 1959–63 plan, the Kariba project accounted for an average annual expenditure of £6.3 million, or 34 per cent. of total development expenditure. As electricity demands in most parts of the Rhodesias for the period 1962–65 can be met by the generating capacity now available, it is expected that only £1 million will be spent on the Kariba project during the coming planning period. This is one of the reasons why, although the economy is expected to grow during the next three years, annual development expenditure at £18.4 million is less than the annual expenditure of £19.2 million envisaged in the 1959–63 plan. It also explains the fact that the proportion of investment in economic services, though large, is expected to be somewhat lower during the next three years. The following table compares the expenditure by groups of services:

Expenditure by Groups (Percentage of Total)

Group	*1959–63 Plan*	*1962–65 Plan*
	%	%
Economic Services	75	68
Social Services	13	10
General Administrative Services	6	16
Miscellaneous	6	6
TOTAL	100	100

20. The fall in the social services group reflects a deliberate and unavoidable curbing of the rate of growth of recurrent expenditure in this field, as well as a change of emphasis in investment expenditure. The rise in the general administrative services group is mainly accounted for by a substantial provision for housing for civil servants which recognizes the high level of demand which exists at present for African housing generally, including housing for Federal officials.

21. It will be seen from Annexure II that during the three years 1962–65 there will be a decline in the annual rate of investment expenditure. On the face of it, this is inconsistent with a growing economy. To a large extent, this is due to the completion of major programmes of investment to overcome backlogs in services such as transport, power and communications, and an expected improvement in the capital/output ratio. In part, though, it reflects the shortage of resources which is brought out in Part II of the investment programme.

Part I of the Investment Programme: Items for which Resources are expected to be Available

22. Explanatory notes follow on individual items of the Federal Government investment programme. The item numbers in brackets correspond to those given in Annexure IIA:

A. MINISTRY OF TRANSPORT

(i) GENERAL (Item 1)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(£ thousands)		
Estimated capital expenditure on revenue votes	60	60	60	180

This item reflects expenditure expected to be incurred in providing capital for the purchase of additional motor vehicles and equipment for federal ministries and departments.

(ii) ROADS AND BRIDGES (Item 2)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(£ thousands)		
Loan votes	900	600	500	2,000
Special resources (contractor finance)	462	150	—	612
Estimated capital expenditure on revenue votes	550	450	400	1,400
TOTAL	1,912	1,200	900	4,012

For present planning purposes, priority is being given to the completion of the reconstruction, on a modern alignment, to a 9,000-lb. wheel-load standard, of the following roads:

(1) The Bulawayo–Livingstone road, which serves the major tourist attraction of the Federation.

(2) The road between Salisbury and Blantyre, which should become a major physical link of the Federation, with considerable tourist and general economic value.

(3) The road between Livingstone and Kafue. When the reconstruction of this road and the Bulawayo–Livingstone road has been completed there will be a quadrilateral linking Salisbury, Bulawayo, Livingstone and Lusaka, which will have substantial tourist and general economic significance.

This part of the programme alone is estimated to cost £3 million and is not provided for in full during 1962–65. The investment programme takes into account the fact that expenditure on roads is significant in its impact on local employment, makes only a relatively small claim on foreign exchange for imported materials and, in areas with an economic potential, can provide a direct incentive for increased economic activity.

A break-down of proposed expenditure for 1962–63 (excluding capital expenditure on revenue votes) is given below:

	(*£ thousands*)
Northern Rhodesia:	
(a) Bridges and culverts	63
(b) Continuation of reconstruction of road between Luangwa bridge and Fort Jameson	70
(c) Livingstone–Choma road	12
Southern Rhodesia:	
(a) Bulawayo–Victoria Falls road	430
(b) Bridges and culverts, Mtoko–Moçambique border road	45
(c) Chirundu Escarpment and Karoi road	219
(d) Bulawayo–Victoria Falls road	231
Nyasaland:	
(a) Continuation of contract for reconstruction of portion of Chileka–Mwanza road	151
(b) Continuation of widening of Zomba–Limbe road	30
(c) Construction of four bridges between Liwonde and Biriwiri	49
Balance (to be applied to grants to local authorities, land acquisition, contingencies)	62
TOTAL	1,362

Detailed allocations for the years 1963–64 and 1964–65 will be decided at a later stage.

In addition to the above expenditure, provision is made on revenue votes for improvements, strengthening and surfacing. The territorial

break-down of the estimated expenditure of this nature during the three years 1962–65 is given below:

	(£ thousands)
Southern Rhodesia	650
Northern Rhodesia	500
Nyasaland	250
TOTAL	1,400

From the point of view of the Federation as a whole, it is to be noted that the Federal Government is only responsible for inter-territorial roads and that substantial expenditure is incurred by territorial governments on other roads.

(iii) CIVIL AVIATION (Item 3)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(£ thousands)		
Loan votes:				
Ministry of Works	200	69	23	292
Other	26	80	20	126
	226	149	43	418
Estimated capital expenditure on revenue votes	100	80	50	230
TOTAL	326	229	93	648

The allocation on loan votes provides for the following:

	(£ thousands)
Ministry of Works Vote (Buildings):	
Ndola — Airport additions	154
Salisbury — Alterations to control building and antennae site works, fire station and power for V.O.R. beacon	71
Other buildings, including minor works and contingencies	67
Other Items:	
Ndola Airport — Completion of access road, taxiway, etc.	80
Blantyre Airport — Clearing and levelling eastern approachway	10
Investigations, planning and minor works	36
	418

It will be noted that the major part of the provision is accounted for by a sum of £234,000 for committed airport additions and completion of the access road, taxiway, etc., at Ndola.

In addition, it is estimated that capital expenditure will be incurred on revenue votes to a total of £230,000. The major part of the estimate relates to expenditure on equipment, with a small balance of £24,000 for minor items of expenditure on aerodromes.

The present runway at Salisbury was brought into operation in 1952, since when it has been loaded to its maximum. Provision has accordingly been made in the contingency item (Item 41) for works which may be necessary on this runway during the period covered by the development plan.

(iv) Meteorological Services (Item 4)

	1962–63	1963–64	1964–65	Total 1962–65
		(£ thousands)		
Loan votes (Ministry of Works)	11	19	12	42
Estimated capital expenditure on revenue votes	—	20	10	30
Total	11	39	22	72

The provision from loan votes includes an observatory on the Copperbelt, near Kitwe, and a radar building at Mzuzu, in Nyasaland. The Copperbelt observatory is mainly to meet agricultural requirements, although it will assist the department to fill gaps in its existing coverage of the Federation for general meteorological purposes. The Mzuzu station is mainly required for aviation forecasting requirements in Nyasaland, where existing coverage is limited.

The estimated capital expenditure on revenue votes relates to the purchase of radar equipment, etc., for use in the observatories.

(v) Central African Airways Corporation (Item 5)

	1962–63	1963–64	1964–65	Total 1962–65
		(£ thousands)		
Loan votes	60	160	90	310
Special resources	378	455	1,345	2,178
Total	438	615	1,435	2,488

The provision is broken down in the table below:

	(£ thousands)
Fleet modifications	60
General (including jet handling equipment, simulator rooms, test beds, blast walls, etc.)—	
New items	233
Replacements	45
Beaver replacements	320
Jet aircraft for regional services	1,830
Total	2,488

Fleet Modifications

Provision is necessary for mandatory fleet modifications, although it is not known in advance whether, when and to what extent they will be required.

General

Part of this provision for the general needs of expansion will be financed from loan votes and part by special resources. The total includes replacement expenditure which is wholly financed by the internal resources of the Corporation.

Beaver Replacements

The present fleet, which provides essential communications with undeveloped areas in Barotseland and Nyasaland, consists of six aircraft, of which three are normally positioned in Nyasaland, two in Northern Rhodesia, and one is kept in reserve in Salisbury. It will be necessary to replace the fleet with new aircraft in about 1963–64. The total replacement cost is estimated at about £320,000, of which £100,000 will be provided from loan votes, and the balance from special resources, including the internal resources of the Corporation.

Jet Aircraft for Regional Services

The Corporation at present operates a fleet of five Viscount 700 aircraft on regional and domestic routes. It is considered that by 1965 it will be necessary to introduce jet aircraft on regional services. No final conclusion has yet been reached as to the most suitable aircraft, but it is expected that suitable short-range types will be available at a fleet cost of the order of £4 million, spread over the four years 1962–66. The funds will be found from special resources, including reserve funds set aside for the purpose by the Corporation.

(vi) RHODESIA RAILWAYS (Item 6)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(£ thousands)		
Loan votes	—	500	1,000	1,500
Special resources:				
(a) new investment	4,000	2,770	1,900	8,670
(b) replacements and betterment	627	388	470	1,485
TOTAL	4,627	3,658	3,370	11,655

A break-down of the provision, excluding replacements and betterment, is given below:

	(£ thousands)
Locomotives and rolling stock	2,203
Permanent way, etc.	718
Traffic and operating facilities and water supplies	1,707
Workshops, plant and machinery	1,107
Road Motor Services	116
Housing	3,309
Miscellaneous	1,010
TOTAL	10,170

In addition to the above provision, the Railways are acquiring the use of thirty diesel locomotives costing about £2 million through a hire arrangement.

The provision accepts the importance of the railway system to the land-locked economy of the Federation and the need to ensure that there are no bottle-necks in transport which might restrict development. Demands are estimated each year for the following four years by the Traffic Estimates Committee, which includes representatives of all

interested bodies. These demands are then translated into terms of investment requirements by the Rhodesia Railways. The policy at present adopted concerning spare capacity is to allow 2 per cent. for steam transport and 5 per cent. for diesel locomotives, although the latter allowance might be reduced when the diesel fleet becomes larger. Seasonal demands for transport fluctuate substantially during the year, but the fluctuations are ironed out by stock-piling, and by carrying out maintenance during slack periods. The allowances for spare capacity apply, therefore, to annual average demands.

(vii) LAKE SERVICES AND HARBOURS (Item 7)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(£ thousands)		
Loan votes	15	11	6	32

A break-down of the provision is given below:

	(£ thousands)
Completion of Lake Nyasa bulk P.O.L. scheme	8
Purchase of Lake Kariba Co-ordinating Committee radio facilities	1
Navigational aids for Lake Kariba	5
General development on Lake Nyasa	18
TOTAL	32

The provision is modest since the policy for Lake Nyasa is to improve services and, at the same time, to reduce existing recurrent losses by increasing the effective capacity, rather than the physical size, of the existing fleet. This is to be achieved by improving jetties, navigational aids, etc., thus enabling the lake fleet to be more fully operated, reducing the time spent on turn-around, and increasing night operations.

B. MINISTRY OF POSTS

POSTS AND TELECOMMUNICATIONS (Item 8)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(£ thousands)		
Loan votes:				
Ministry of Works	280	198	178	656
Other	800	700	700	2,200
	1,080	898	878	2,856
Estimated capital expenditure on revenue votes	550	600	600	1,750
TOTAL	1,630	1,498	1,478	4,606

The provision on Ministry of Works votes includes three major projects which fell within the 1959–63 plan, namely a central sorting office in Salisbury, central telephone exchange additions in Salisbury, and a post office in Livingstone. Expenditure on these projects during 1962–65 will amount to £100,000, £121,000 and £35,000, respectively. The majority of the balance of the provision is in respect of small new post offices where the present buildings are in unsatisfactory condition.

There is provision, however, for a telephone exchange at Limbe, costing £54,000, and an exchange extension at Bulawayo, costing £40,000.

The provision for 'other' loan vote expenditure in 1962–63 is broken down in the table below:

	(£ *thousands*)
Telephone installations	260
Exchange equipment	162
Trunk network	313
Telegraphs	35
Contract work	30
TOTAL	800

Uncertainties of demand make it impossible to estimate, at this stage, the break-down of the provision during the two years 1963–64 and 1964–65.

The estimated capital expenditure on revenue votes relates mainly to salaries, allowances, motor transport, and distribution of materials, associated with the installation of plant.

C. MINISTRY OF POWER

(i) FEDERAL POWER BOARD (Item 9)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(£ *thousands*)		
Special resources:	1,695	1,330	729	3,754
Of which—				
Kariba, Stage I	1,030	—	—	1,030
Kariba, Stage II	5	5	5	15
Administration assets	5	5	5	15
Nkula Falls project	655	1,320	719	2,694

Kariba, Stage I

The total cost of Kariba, Stage I, is now estimated at £78.24 million.

Kariba, Stage II

Apart from finance charges of £5,000 per annum, it is not envisaged that there will be capital expenditure on this project during the 1962–65 plan. This is due partly to the fact that load growth in the Federation has been somewhat less than originally estimated, partly to the fact that Stage I is of greater capacity than originally contemplated, and partly to the fact that there has been a significant improvement in the load factor. This latter development will ultimately bring considerable benefits in the form of deferment of capital expenditure to meet a given demand, and reduced unit costs.

Administration Assets

The provision covers miscellaneous administrative assets, which will be financed from the Board's own resources.

Nkula Falls Project

Although estimated expenditure on the Nkula Falls project in Nyasaland has been provided for in the plan, complete details are not yet available. The figures therefore are not final. This item relates only to generation plant to be owned by the Federal Power Board which would sell electricity in bulk to the Nyasaland Electricity Supply Commission. Associated expenditure is reflected in the provision for the Nyasaland Electricity Supply Commission for the interconnection with the Nkula Falls station.

(ii) SOUTHERN RHODESIA ELECTRICITY SUPPLY COMMISSION (Item 10)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(*£ thousands*)		
Loan votes	700	748	833	2,281
Special resources	198	213	91	502
TOTAL	898	961	924	2,783

The provision assumes a higher rate of growth in units sent out from the Commission during the period 1962–65 than the rate in 1961. The higher rate is attributable in particular to load growth expected to result from new industrial projects.

The provision can be broken down into the following main heads of expenditure:

Item	(*£ thousands*)
Generation	112
Transmission	1,262
Distribution	815
Buildings	106
Other	248
Not yet allocated	240
TOTAL	2,783

Since the generation requirements of the Commission are mainly met by supplies from Kariba, existing capacity and imports from Moçambique, there is only a small provision under the item 'Generation'. Of that provision, the major part is for hydro-electric generation at Chipinga, an area which is not interconnected with the main supply system. The bulk of the total provision is, therefore, taken up against the heads 'Transmission' and 'Distribution' in order to enable the Commission to expand and meet new and increased demands.

(iii) NYASALAND ELECTRICITY SUPPLY COMMISSION (Item 11)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(*£ thousands*)		
Loan votes	125	126	160	411
Special resources	45	44	43	132
TOTAL	170	170	203	543

The provision can be broken down into the following main heads of expenditure:

Item	*(£ thousands)*
Part I. Expenditure not related to interconnection with Nkula	
1. Power station equipment and construction	55
2. Transmission and distribution	263
3. Buildings	50
4. Other (transport and miscellaneous)	50
TOTAL, PART I	418
Part II. Expenditure related to interconnection with Nkula	
1. Power station equipment and construction	100
2. Transmission and distribution	25
TOTAL, PART II	125
GRAND TOTAL	543

D. MINISTRY OF ECONOMIC AFFAIRS

(i) LAKE KARIBA DEVELOPMENT (Item 12)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(£ thousands)		
Loan votes	23	—	—	23

When work commenced on the construction of the Kariba Dam, the Federal, Southern Rhodesia and Northern Rhodesia Governments established a Lake Kariba Co-ordinating Committee in order to co-ordinate development. At the same time, each government agreed to provide the sum of £1 million, mainly to pave the way for the establishment of a fishing industry. The major portion of the funds has been spent on bush-clearing in the area now inundated by the lake, so that commercial fishing can be carried out by means of nets.

Almost the entire £3 million has now been spent. The Federal Government's share of the balance of £69,000 to be spent in 1962–63 will be £23,000.

The following is a break-down of the total expenditure by main headings:

	(£ thousands)
Bush clearing	2,466
Harbours	215
Minor anchorages	17
Access roads	97
Fish stocking	90
Township development	67
Salvinia research	34
Fisheries research	10
Navigation aids	4
	3,000

(ii) Agricultural Research Council (Item 13)

	1962–63	1963–64	1964–65	Total 1962–65
		(£ thousands)		
Estimated capital expenditure on revenue votes	100	75	—	175

The Federal Government has made available to the Agricultural Research Council a grant of £750,000, plus interest. The grant can be drawn on over the five years 1962–67, and is provided from revenue votes. Further details of the programme of the Council can be seen under Part II.

E. MINISTRY OF AGRICULTURE

(i) Agriculture — General (Item 14)

	1962–63	1963–64	1964–65	Total 1962–65
		(£ thousands)		
Loan votes (Ministry of Works)	21	25	25	71
Estimated capital expenditure on revenue votes	350	300	300	950
Total	371	325	325	1,021

The loan vote provision includes two major items — an entomology block costing £14,000, and a veterinary laboratory block costing £12,000. There is also provision for a legume inoculant factory at Grasslands Research Station costing £4,000, and for a permanent water supply at Lusulu Experimental Station costing £3,000.

The balance of the provision is for minor conservation and veterinary offices at various stations.

The estimated capital expenditure on revenue votes covers conservation, irrigation and regional planning subsidies, Sabi Valley gauging weirs, stock routes, machinery and equipment, fencing, roads and buildings.

(ii) Regional Planning (Item 15)

	1962–63	1963–64	1964–65	Total 1962–65
		(£ thousands)		
Loan votes	12	20	20	52

Approved conservation works on farms in Northern Rhodesia qualify for subsidies at varying percentages of the cost of the works. The balance of the cost is met by loans under this item. It is expected that the demand in future will increase, since there will be a movement to Phase II Planning, where a smaller proportion of the cost will be subsidized, and a larger proportion will be required to be financed on loan.

(iii) DAIRY MARKETING BOARD (Item 16)

	1962–63	1963–64	1964–65	Total 1962–65
		(£ thousands)		
Loan votes	96	85	80	261
Special resources	70	70	70	210
TOTAL	166	155	150	471

The allocation from loan votes includes provision for:

	(£ thousands)
Betterment value in replacements of plant and equipment	90
Plant and machinery (normal expansion)	60
Processed cheese and packaging plant	15
Salisbury butter factory	21
Bulk transport unit	10
Distribution depots in African areas	20
Lactic milk improvement plant	5
Bulawayo Dairy extensions	40
	261

The expenditure to be financed from special resources relates to replacement of plant and equipment out of the depreciation reserves of the Board.

The provision takes into account the fact that substantial investment is necessary to cater for normal expansion in the activities of the Board. Due regard has also been paid to the report, published in January 1962, of the Commission of Inquiry into the Dairy Industry, particularly that part relating to the division of functions between the Board and private enterprise.

(iv) GRAIN MARKETING BOARD (Item 17)

	1962–63	1963–64	1964–65	Total 1962–65
		(£ thousands)		
Loan votes	280	165	160	605
Special resources	35	35	35	105
TOTAL	315	200	195	710

The facilities of the Grain Marketing Board must be expanded to cater for the large increase in the maize crop of the Rhodesias which has taken place in the last two years. Maize production in the area of operations of the Board during 1961 and 1962 has been about 50 per cent. higher than in previous years, and it appears that this level will be maintained, and may increase.

Consideration has recently been given to the form of maize handling in the Federation. It is proposed that any change to bulk handling should be undertaken on a selective basis, commencing with exports of maize from the Salisbury area via Beira. Thereafter, it might be possible

to extend bulk handling of maize to other selected areas. The investment envisaged in 1962–65 will not prejudice the selective introduction of bulk-handling methods.

A break-down of the proposed expenditure is given below:

	(£ thousands)
Acquisition of land—	
Depots	170
Blockstack areas	6
Buildings—	
Depots, etc.	72
Loading ramps	3
African housing	212
Plant machinery and equipment—	
Bag handling	166
Other	45
Other, including fencing	36
TOTAL	710

(v) COLD STORAGE COMMISSION (Item 18)

	1962–63	1963–64	1964–65	Total 1962–65
	(£ thousands)			
Loan votes	150	150	150	450
Special resources	135	135	135	405
TOTAL	285	285	285	855

The cattle industry is an important and growing industry within the Federation, and investment in processing and marketing facilities must keep pace.

The amount shown as being financed from special resources relates to the replacement of assets from the depreciation reserves of the Commission. The balance of the provision is for general development.

(vi) TOBACCO RESEARCH BOARD (Item 19)

	1962–63	1963–64	1964–65	Total 1962–65
	(£ thousands)			
Special resources	34	14	12	60

The Board's major programme of capital development was completed by the 30th June 1960. Its requirements for the period 1962–65 are limited to relatively minor additions and improvements. The proposed expenditure, to be financed from internal resources, is on minor buildings, improvements, vehicles, plant and equipment (including replacements).

(vii) AGRICULTURAL EXPANSION (Item 20)

	1962–63	1963–64	1964–65	Total 1962–65
	(£ thousands)			
Loan votes	180	180	180	540

During the period 1962–65 a sum of £540,000 will be available to the Federal Government, representing its share of a development loan made by Rhodesian Anglo American Ltd. Additional annual amounts of £60,000 will thereafter accrue up to a total of £1,020,000.

The funds will be channelled through appropriate agencies and will be used for long-term loans for the development of proved land, economically situated in respect of transport and marketing facilities, by qualified farmers, who can provide acceptable securities. Steps will be taken in conjunction, where necessary, with territorial governments, to ensure that these long-term loans are backed up by complementary facilities, such as short-term capital, advisory and marketing services, etc. It is contemplated that the provision of development capital for individual settlers on irrigation schemes, such as the Sabi project, will be within the scope of this item.

(viii) African Agricultural College (Item 27)

	1962–63	*1963–64*	*1964–65*	*Total 1962–63*
		(£ thousands)		
Loan votes (Ministry of Works)	5	55	—	60

The existing college caters for an intake of about 18 students per year. The number of applications received for training at the college has increased and it is expected that additional accommodation will be required in 1963–64. The provision of £55,000 in that year will approximately double the number of available places, from 40 to about 80. The provision of £5,000 in 1962–63 is for an engineering section instructional unit and a tobacco handling unit.

F. MINISTRY OF FINANCE

(i) Land Banks

(a) *Southern Rhodesia* (Item 21)

	1962–63	*1963–64*	*1964–65*	*Total 1962–63*
		(£ thousands)		
Loan votes	300	300	300	900
Special resources	600	640	680	1,920
Total	900	940	980	2,820

(b) *Northern Rhodesia* (Item 22)

	1962–63	*1963–64*	*1964–65*	*Total 1962–63*
		(£ thousands)		
Loan votes	200	50	—	250
Special resources	145	158	171	474
Total	345	208	171	724

The provision under this item is utilized in the form of long- and medium-term loans for farmers which play a decisive role in encouraging agricultural development. In addition, the provision in Item 20

will also assist in making capital available for the expansion of agriculture.

The greatest possible emphasis will be placed on the development of proved land, on the creation of additional agriculture employment opportunities and on greater cash crop output.

(a) *Southern Rhodesia.*—In addition to the amount of £300,000 per annum from loan votes, approximately £600,000 per annum is expected to be available from repayments by borrowers and from profits.

(b) *Northern Rhodesia.*—Included in the provision there is an amount of £66,000 for a new office building in Lusaka in 1962–63. As in the case of the Land Bank of Southern Rhodesia, the 'special resources' shown reflect estimated repayments and profits available for relending.

(ii) GENERAL (Item 36)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(£ thousands)		
Estimated capital expenditure on revenue votes	20	20	10	50

The figures reflect estimated expenditure on accounting machines, adding and calculating machines, and filing cabinets for use in conjunction with punched card accounting equipment.

(iii) CUSTOMS AND EXCISE (Item 37)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(£ thousands)		
Loan votes (Ministry of Works)	95	17	12	124

The main item included in the provision is a new Custom House at Salisbury, estimated to cost £85,000. The only other substantial item is a new Custom Post at Mwanza, costing £15,000. The inter-territorial road has been realigned in the area, by-passing the existing post.

(iv) PRINTING AND STATIONERY (Item 38)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(£ thousands)		
Loan votes (Ministry of Works)	53	148	1	202
Estimated capital expenditure on revenue votes	20	5	—	25
TOTAL	73	153	1	227

The provision covers basement storage included in the 1959–63 plan, and the continuation of the project up to the first floor. The additional accommodation is necessary for the rehousing of the lithographic section.

The estimated expenditure from revenue votes covers the purchase of machinery and an increase in stocks of paper.

G. MINISTRY OF COMMERCE AND INDUSTRY

(i) ASSIZE (Item 23)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(*£ thousands*)		
Loan votes (Ministry of Works) .	10	9	—	19

The provision is for the construction of a new building at Blantyre, a new office at Ndola and additions at Salisbury. The building at Blantyre and the additions at Salisbury are already provided for in the development plan for 1959–63.

(ii) GOVERNMENT CENTRAL STORES (Item 24)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(*£ thousands*)		
Loan votes (Ministry of Works) .	15	—	—	15

This item covers the expansion of existing stores accommodation in Salisbury, and is already provided for in terms of the 1959–63 development plan.

H. MINISTRY OF EDUCATION

EDUCATIONAL SERVICES (Item 25)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(*£ thousands*)		
Loan votes (Ministry of Works) .	919	480	402	1,801
Estimated capital expenditure on revenue votes	400	400	400	1,200
TOTAL .	1,319	880	802	3,001

Details of the provision from loan votes are summarized in the table below and the amplifying notes on the main items.

Item	(*£ thousands*)
Provision for day and boarding places	1,004
Bulawayo Technical College	81
Polytechnic, Salisbury	318
Technical centres	85
Teacher Training College, Bulawayo	143
Educationally Sub-normal School	65
Accommodation for audio-visual services . . .	17
Load control equipment	15
Minor works	73
TOTAL .	1,801

Provision for Day and Boarding Places

The provision will allow for the following additional places during 1962–65.

Day Places—	
Primary	3,400
Secondary	1,320
Boarding Places—	
Primary	50
Secondary	300

Bulawayo Technical College, Polytechnic, Salisbury, Technical Centres

Considerable importance is attached to the establishment of technical training facilities, and the provision is therefore substantial. In the case of the Polytechnic, Salisbury, most of the finance will be found from the sale of the old Polytechnic site to Salisbury Municipality.

Teacher Training College, Bulawayo

The provision will enable the completion of those stages of the project which will provide tutorial facilities for 500 students, and hostel accommodation for 226 students. It is envisaged that the students not accommodated in hostels will find private lodgings.

Educationally Sub-normal School

The provision is for the replacement of the existing school at Thornhill, which occupies a former R.A.F. mess, by a school, designed for the purpose, on a site at Bulawayo. The new school will be conveniently placed in relation to the new Teacher Training College.

The estimated capital expenditure on revenue votes is expected to be made up as follows:

	(£ thousands)
Equipment for schools and hostels	900
Grants for playing fields	195
Grants for school halls	105
	1,200

J. MINISTRY OF HEALTH

HEALTH SERVICES (Item 26)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(£ thousands)		
Loan votes (Ministry of Works)	569	509	755	1,833
Estimated capital expenditure on revenue votes	45	40	45	130
TOTAL	614	549	800	1,963

A break-down of the total provision from loan votes is given below:

	(£ thousands)
Completion of works in progress	161
Ndola Hospital: additions	300
University College Hospital, Salisbury	500
Bulawayo Nurses' Home extensions	55
Salisbury Central Hospital: Senior Nurses' Home	60
Salisbury Nursing College	65
Other works costing less than £50,000	692
TOTAL	1,833

Apart from works costing less than £50,000 the major part of the allocation is for the completion of works in progress, additions to the Ndola Hospital, and the University College Hospital. The total cost of the Ndola Hospital is estimated at £350,000, involving a commitment of £50,000 after June 1965. The investment in a University College Hospital is considered to be of particular importance because of the present world-wide shortage of doctors.

Since preventive rather than curative measures offer the most effective means of improving the health of the community, it continues to be the aim to reduce the need for hospitals and other curative facilities.

Capital expenditure on revenue votes covers the purchase of hospital and other medical equipment, an increase in stocks of stores, and grants to missions.

K. MINISTRY OF HOME AFFAIRS

(i) FEDERAL BROADCASTING CORPORATION (Item 28)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(£ *thousands*)		
Loan votes	80	44	27	151

The principal aims of the Corporation's current capital investment programme are to improve coverage and to substitute unattended transmitters for existing installations, thus producing savings in running costs and in the use of scarce technical personnel.

The provision relates mainly to the purchase of six new medium-wave transmitters. Of these, two will replace the existing African service transmitters at Salisbury and Bulawayo, one of which will be transferred to Gwelo. The four remaining transmitters will replace existing general service transmitters at Umtali, Bulawayo, Gatooma and Salisbury, which are obsolescent. In addition, the provision allows for investment in minor buildings, engineering equipment, vehicles and furniture, and for new programme input equipment at Lusaka.

(ii) National Parks (Item 29)

	1962–63	1963–64	1964–65	Total 1962–65
	(£ thousands)			
Loan votes—				
Ministry of Works	20	20	20	60
Other	53	50	50	153
	73	70	70	213
Estimated capital expenditure on revenue votes	5	5	5	15
Total	78	75	75	228

The provision on Ministry of Works loan votes relates to tourist accommodation to be constructed at Wankie and at Victoria Falls. The accommodation is a directly, as well as indirectly, profitable form of investment and the demand during the season is consistently in excess of supply.

The sum of £153,000 on 'other' loan votes will enable a substantial part of the main Wankie road to be 'sand sealed' so that the road will be open throughout the year. This will not only enable greater use to be made of the Wankie National Park, but will enable tourists from the northern hemisphere to visit the park during their winter.

It is estimated that capital expenditure on revenue votes will be about £5,000 per annum. Of this figure, about £4,000 will be spent on buildings and about £1,000 on fencing.

(iii) Departmental Buildings (Item 30)

	1962–63	1963–64	1964–65	Total 1962–65
	(£ thousands)			
Loan votes (Ministry of Works)	45	17	—	62

The provision allows for the completion of the new archives building at Lusaka, the construction of a new archives building at Zomba, and the construction of an immigration office, with quarters on site, at Abercorn. Work on the new archives building at Lusaka has already commenced. The need for the immigration office at Abercorn and the archives building at Zomba will fall away if suitable premises can be rented.

L. MINISTRY OF WORKS

(i) Land Acquisition (Item 31)

	1962–63	1963–64	1964–65	Total 1962–65
	(£ thousands)			
Loan votes (Ministry of Works)	40	40	40	120

The provision is based on past experience but cannot be regarded as a firm figure since it is not known far in advance for which development projects Crown land will be available, and for which projects the purchase of land will be necessary.

(ii) MISCELLANEOUS PUBLIC WORKS (Item 32)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(£ thousands)		
Loan votes (Ministry of Works) .	97	40	37	174

In addition to the provision for the completion of the Fourth Street office block in Salisbury, substantial funds have been allocated to this item on the basis that it will in future cater for all 'contingencies' taking the form of expenditure over £250 on the Ministry of Works' loan vote. Among the items at present in view are alterations to Rhodesia House, London, sewerage connections, electrical and mechanical works and other miscellaneous items.

(iii) HOUSING (Item 33)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(£ thousands)		
Loan votes (Ministry of Works) .	1,070	750	750	2,570

The allocation covers all housing for Federal civil servants other than a narrowly defined range of institutional housing which is catered for in individual items of the investment programme. The size of the provision reflects in particular the continued high level of demand for housing for African personnel. Although the Federal Government is not responsible for housing generally, it must, of necessity, provide accommodation for those officials who must reside at the site of their work, and for officials stationed in remote areas or in centres where the supply of housing for private purchase or for rental fails to meet demand.

(iv) DEPARTMENTAL BUILDINGS (Item 34)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(£ thousands)		
Loan votes (Ministry of Works) .	12	10	10	32

The provision will enable the Ministry to construct works depots at Plumtree, Sinoia and Marandellas where the existing depots are of temporary construction and unsatisfactory.

(v) GENERAL (Item 35)

	1962–63	*1963–64*	*1964–65*	*Total 1962–65*
		(£ thousands)		
Estimated capital expenditure on revenue votes	1,000	1,000	1,000	3,000

The figures reflect estimated capital expenditure on the revenue votes of the Ministry with the exception of Defence buildings, which are shown separately under Item 40.

The expected break-down of the total is as follows:

	(£ thousands)
Staff costs allocable to capital expenditure . . .	540
Agency and professional fees related to capital works	1,410
Minor additions	120
Services	60
Furniture	870
TOTAL .	3,000

M. MINISTRY OF LAW

PRISONS (Item 39)

	1962–63	1963–64	1964–65	Total 1962–65
		(£ thousands)		
Loan votes (Ministry of Works)	710	459	459	1,628
Estimated capital expenditure on revenue votes	30	20	20	70
TOTAL	740	479	479	1,698

Having regard to the scarcity of capital resources, and the need to apply those available to the most productive use, the allocation of funds for the building of prisons is maintained at a minimum level consistent with the provision of adequate accommodation, of which a serious shortage was inherited at the time of federation.

A summary break-down of the loan vote expenditure is given below by categories of accommodation:

	(£ thousands)
Maximum security prisons	182
Medium security prisons	854
Holding and remand prisons	363
Reformatories	161
Workshops	19
Contingencies and other	49
	1,628

The estimated expenditure on revenue votes relates to purchase of motor transport, equipment for prison industries and increases in stocks of stores.

N. MINISTRY OF DEFENCE

ARMY AND AIR FORCE BUILDINGS (Item 40)

	1962–63	1963–64	1964–65	Total 1962–65
		(£ thousands)		
Estimated capital expenditure on revenue votes	400	250	250	900

The schedule reflects estimated capital expenditure in the form of Army and Air Force buildings, to be financed on Ministry of Works revenue votes. The major part of the estimate relates to Army buildings.

O. UNALLOCATED

CONTINGENCY (Item 41)

	1962–63	1963–64	1964–65	Total 1962–65
		(£ thousands)		
Loan votes	570	840	1,700	3,110

As has been recognized in previous plans, and borne out by experience, it is essential to include adequate funds in the contingency item to cater for unforeseen expenditure requirements, and to make

some allowance for the possibility of a shortfall in resources in relation to the estimates. Apart from pure contingencies of this nature, a number of projects for which funds are likely to be required are not sufficiently definite at this stage for substantive provisions to be made. These items, which include the Salisbury Airport runway and the Sabi project, have also been taken into account in arriving at the provision which has been made.

Part II of the Investment Programme: Items for which Additional Resources are Required

23. This part covers additional projects in the public sector which have been excluded from Part I, because of the inadequacy of the financial resources at present in sight or expected to become available during the period of the plan:

A. MINISTRY OF TRANSPORT

(i) Roads and Bridges

Because of limited capital resources the programme for inter-territorial roads and bridges has had to be severely curtailed and of the provision of £2.6 million in Part I, more than half will be spent in 1962–63. The principal additional projects which will be commissioned to the extent that finance is forthcoming, are set out below:

	Estimated Cost (£ thousands)
Southern Rhodesia	
Realignment and construction to 22-ft. tarmat of part of Bulawayo–Victoria Falls road	600
Realignment and reconstruction to double-lane gravel standards of sections of—	
Mtoko–Moçambique border road	250
Matetsi–Panda-ma-Tenga road	200
Northern Rhodesia	
Widening and surfacing of Kapiri Mposhi–Mkushi road	200
Realignment and reconstruction of sections of—	
Luangwa–Nyimba road to double-lane gravel standards	250
Mazabuka–Munali road to 20-ft. tarmat standards	200
Nyasaland	
Realignment and reconstruction to gravel standards of—	
Balaka–Ncheu–Dedza road	250
Part of Chileka–Mwanza road	400
Total	2,350

(ii) Rhodesia Railways

In addition to the expenditure of a particularly urgent nature for which provision is made in Part I to the extent of £11.7 million, further general investment to the extent of £1.6 million is required, and will be undertaken during the period of the plan if resources become available.

Apart from this additional general investment, and the provision already made in Part I for housing, resources will be sought for

further housing for African employees. A large and increasing demand exists for improvements in, and an increased supply of, housing for married African employees. Apart from the need for improvements in standards, and an existing backlog in accommodation, the proportion of married employees — at present about 70 per cent.— is rising rapidly and a figure of 85 per cent. will probably be reached within the next two or three years. Such an increase in the proportion of married employees, alone, will increase the demand for housing by about 4,000 units.

B. MINISTRY OF POSTS

Limited capital resources have resulted in a provision in Part I which falls short of the expected opportunities for economic investment in telecommunications facilities to the extent of £650,000 during the planning period.

C. MINISTRY OF POWER

(i) Federal Power Board

It may prove desirable to construct a second 330 kV. line from Kariba to Kitwe during the period of the plan. The project is at present under examination by the Federal Power Board in consultation with the Rhodesia Congo Border Power Corporation. The estimated cost is £5 million.

(ii) Southern Rhodesia Electricity Supply Commission

The provision of £2.8 million in Part I falls short of the programme which the Commission considers to be necessary to meet all potential opportunities for the supply of power in the area, on an economic basis. It is estimated that an additional sum of between £250,000 and £500,000 may be required to serve mining and industrial projects which are not firm at this stage. Funds will be sought for the projects when they materialize.

(iii) Nyasaland Electricity Supply Commission

Hydro-electric Generation — Mzuzu.—The town of Mzuzu, Provincial Headquarters of the Northern Province of Nyasaland, enjoys a limited supply of electricity at present, provided by means of diesel generation. Consultants have prepared a report concerning the supply of electricity to Mzuzu and the surrounding area by means of hydro-electric generation at the Mazamba Falls on the Luchelemu River. The hydro-electric scheme would be operated in conjunction with existing diesel plant until the electrical load had grown sufficiently to justify a complete change to hydro-electric generation. The main centres of load in the neighbourhood of Mzuzu comprise the town, the Colonial Development Corporation Tung Oil processing plant, and the Chombe Tea Estates some 16 miles from Mzuzu. It has been provisionally estimated that the cost of the project would be about

£185,000 and that it would be viable if capital were available at an interest rate of up to 6¼ per cent. Funds will be sought for the project on this basis if the final examination of the full details of the scheme confirms the present assumptions.

D. MINISTRY OF ECONOMIC AFFAIRS

(i) Sabi Development Scheme

The future of the proposed Sabi development project was recently investigated by the Sabi Development Committee. The committee's report, which was published in January 1962, reappraised the scheme as first outlined in a report by Sir Alexander Gibb and Partners, Limited, in 1948, and took into account the work subsequently done in that area and the present-day economic and other circumstances. The committee's recommendations stemmed from its conclusions that the results achieved in the Sabi–Lundi Basin fully justified the belief that further development in the Sabi area is both possible and desirable; that for social and economic reasons, and because technical research adequate for further development has now been completed, an intermediate phase of the Sabi scheme should be undertaken forthwith.

The intermediate phase includes investigations concerning:

(a) a large storage dam;
(b) silting;
(c) lay-out of farms;
(d) transport problems;
(e) economics of the various schemes;
(f) health;
(g) soil surveys;
(h) detailed surveys of the various irrigation schemes;
(i) preparation of maps, etc.;
(j) the setting up of a cotton ginnery.

It is possible that the capital cost to the Federal Government of this phase might be as much as £100,000 and appropriate provision has been made in the Contingency Item of Part I.

Stage I of the scheme, which is recommended by the committee for implementation after the intermediate phase has been satisfactorily completed, envisages the establishment of the following irrigation schemes on the east side of the Sabi River in the area below the Birchenough Bridge:

(a) a scheme involving about 5,000 acres in the Musikwanu Reserve for peasant farmers, on a leasehold tenure, with individual units ranging from 4 to 16 acres;
(b) a scheme involving about 5,000 acres on unalienated land to the south of the Sabi Tanganda Estate for suitable farmers of any

race, on a leasehold tenure, with the individual units ranging in size from 75 to 200 acres;

(c) the expansion of the acreages under irrigation on the existing Sabi Tanganda Estate to the maximum extent irrigable, assumed to be of the order of 5,000 acres;

(d) a scheme, involving about 5,000 acres on the black basalt soils at Chisumbanje, for peasant farmers.

In order for the schemes to be established, sufficient water must be made available by the construction of a large storage dam. Canals fed from the Sabi River by gravity or by pumping plant, must also be built. Funds will be sought for Stage I, which is expected to cost approximately £6 million, when the project has been fully documented.

(ii) Agricultural Research Council

The Council has drawn up a five-year plan under which research teams, consisting of experienced scientists with the necessary assistance, will be set up to conduct fundamental research into key problems which are holding up progress, and which cannot be solved with existing facilities and staff in the Government research services. The fields to be covered during the five-year plan, which have been selected in consultation with heads of the Government research services, are the problems of soil fertility, with particular reference to the granite sand soils which are of major importance in the development of African agriculture; the development of disease-resistant strains of crops, with particular reference to groundnuts in Nyasaland; research into the breeding habits and population dynamics of the tsetse fly; research into ruminant nutrition; research into the encroachment of bush into grazing lands in lower-rainfall areas; and research into the development of some varieties of trees suitable for afforestation. Teams dealing with each of these problems will be stationed at Government research stations at various points in the Federation, and will work in close co-operation with existing Government research services.

The Council is also considering the possibility of establishing a central institution for veterinary research which would promote the investigation of the problems of virus diseases, tick-borne diseases and helminthiasis. Such a research institution would probably also act as a source of vaccine for distribution in the Federation and elsewhere. Provided the necessary funds can be found, it is hoped that the development of this project can proceed as soon as the five-year programme described above is under way.

The recurrent and capital cost of the programme will be financed in part from the grant of £750,000, plus interest, which has been made to the Council by the Federal Government, and which can be drawn on over the five years 1962 to 1967. Capital expenditure of £175,000, financed from this source, is included in Part I. In addition, finance is being sought for additional capital works costing £550,000 over the period of the plan, and also for assistance in meeting the recurrent costs of the programme.

E. MINISTRIES OF AGRICULTURE AND FINANCE

Agricultural Expansion, Southern Rhodesia and Northern Rhodesia Land Banks

It is Government policy to place in the highest category of priority measures to convert the subsistence economy on a selective basis to a cash economy, primarily through agricultural development. One of the main means by which the Federal Government can implement this policy, having regard to its constitutional responsibilities, is through the provision of long-term loans to farmers. Although substantial provision has been made under the above headings in Part I, there is scope for considerably greater investment in this field and additional resources will be sought for the purpose. At the same time, the development of private sources of agricultural credit will continue to be encouraged. It is possible that additional resources might also be required to enable marketing organizations to keep pace with development in agricultural production.

F. MINISTRY OF COMMERCE AND INDUSTRY

Loans to Industry

Generally, the provision of capital for industry is a function of the private sector aided by the various policy measures of the Government, including the provision of services, aimed at the creation of a favourable climate for industrial expansion. Apart from individual sources of capital there are also four industrial finance bodies, three of which are sponsored and financed by the territorial governments and one, operating throughout the Federation, which was sponsored by the Central Bank but which is not financed by the Government.

Industrial projects may, however, appear from time to time which depend, or would be materially affected by, the provision of capital free of interest, at low rates of interest, or on favourable repayment terms, and which it would be in the national interest to undertake. Capital will be sought for such projects as the need and opportunity arise.

G. MINISTRY OF WORKS

Housing

In Part I it is recognized that there is a heavy and continuing demand for housing for Federal civil servants, and particularly Africans, which cannot be met from private and local authority sources. The sum of £2.6 million is provided accordingly for housing in Part I. It is estimated that there is a need for still greater expenditure under this heading, and the provision will be augmented by up to £0.5 million if additional resources are forthcoming.

H. GENERAL

The foregoing includes an outline of the principal items at present in sight for which additional funds are or may be required during the

period covered by the development plan. Additional items will be added to this part of the investment programme as the need becomes apparent during the life of the present plan.

C. Resources

24. The resources expected to be available for financing Part I of the capital investment programme are shown in Annexure III. The following notes relate to the main headings in the table:

(1) *Estimated Capital Expenditure financed from Revenue Votes (£10,105,000)*

The figures under this heading are merely the counterpart of the corresponding expenditure estimates.

(2) *Loan Recoveries (£4,520,000)*

The figures mainly relate to capital repayments to the Federal Government by statutory bodies and territorial governments.

(3) *Contractor Finance (Roads) (£612,000)*

The figure of £612,000 for the period 1962–65 relates to contracts already secured and may be increased to the extent of £2.35 million under the programme approved in principle.

(4) *Special Resources (£19,895,000)*

The figures reflect special resources of statutory bodies for new development, and the draw-down of reserves for betterment and replacements. The estimates relate mainly to internal resources of the various statutory bodies, but also include other special finance arranged by the bodies concerned, or made available directly to them, including hire purchase arrangements.

(5) *Net Balance from 1961–62 (£994,000)*

It is estimated that resources planned for use in 1961–62 will be underspent by £994,000. The surplus has been shown as a credit against expenditure in 1962–63.

(6) *Net Amount to be Borrowed (£19,302,000)*

The total conforms to the estimate made by the Treasury of the Federal Government's net share of long- and medium-term loans to be raised internally and externally during the period of the plan, after making provision for repayments. The amounts shown for individual years of the plan are those required to meet the expenditure shown for those years and vary from the actual rate at which loans are expected to be raised. The reconciliation between expenditure and the cash flow required will be effected through the local Treasury bill market.

FORECAST RATE OF GROWTH OF THE ECONOMY 1962–65

The forecast of the future growth of the Federation's economy has been mainly based on estimates of the likely development of the major pace-setting sectors, and in particular agriculture, mining, manufacturing, and building and construction. It has been assumed, on the basis of general experience, that the trends in other sectors will partly reflect the overall trend of the major sectors. Particular attention has been paid to export prospects and to the other factors mentioned in Section A of the development plan. The following table summarizes the forecasts and shows corresponding figures for the years 1954–61 for comparison.

DEVELOPMENT PLANNING 1962-1965

INDICATORS OF GENERAL DEVELOPMENT

Item	Unit	Calendar Years 1954	1958	1959	1960	1961	Simple Rate of Growth 1961 Compared with 1960 %	Average Compound Annual Rate of Growth 1954 to 1961 %	Forecast Average Annual Compound Rate of Growth 1961/1965 %
	Current Prices (*Equivalent figures at constant prices are not available for the elements of the Gross Domestic Product at factor cost*)								1961 Prices
Contribution to gross domestic product by:									
Agriculture:									
I. Non-African	£ *million*	*30·9*	*37·0*	*42·7*	*44·3*	*53·3*	*20·0*	*8·0*	5
II. African	£ *million*	*48·9*	*54·5*	*56·8*	*56·6*	*60·4*	*6·5*	*3·0*	5
Mining	£ *million*	*93·6*	*67·3*	*109·3*	*121·9*	*110·0*	*−9·5*	*2·0*	4
Manufacturing	£ *million*	*29·8*	*50·8*	*53·5*	*55·8*	*58·3*	*4·5*	*10·0*	6
Building and construction	£ *million*	*23·6*	*38·8*	*34·3*	*31·2*	*25·5*	*−18·5*	*1·5*	0
Other (distribution, services, etc.)	£ *million*	*135·4*	*207·1*	*227·7*	*243·1*	*254·2*	*4·5*	*9·5*	5
TOTAL (gross domestic product at factor cost)	£ *million*	*362·2*	*455·5*	*524·3*	*552·9*	*561·7*	*1·5*	*6·5*	
Index of gross domestic product at constant prices	1954=100	100·0	125·0	136·4	142·0	146·8	3·0	6·0	4·5
Index of gross national income at constant prices, adjusted for changes in the external terms of trade	1954=100	100·0	116·3	131·2	135·5	135·6	0·0	4·5	
De facto population	000	7,160	7,930	8,130	8,320	8,520	2·5	2·5	2·5
Index of gross national income *per capita* at constant prices, adjusted for changes in the external terms of trade	1954=100	100·0	105·1	115·7	116·7	114·0	−2·5	2·0	2·0

The forecast indicates a growth of about 4½ per cent. per annum in real terms over the next four years for both the gross domestic product and the gross national income. On the assumption that the population will continue to grow at the rate of 2.5 per cent. per annum, a rate of growth of about 2 per cent. per annum in real national income per head would be achieved. Although this growth rate is similar to the average rate since 1954, it is a significant improvement compared to the movement during the last two years, which has reflected a decrease overall. The forecast would, therefore, represent the resumption of significant progress towards attainment of an adequate standard of living for a rapidly expanding population. It is considered that the conservative basis of the estimates, consistent as they are with the forecast of a healthy balance of trade position, is a necessary feature of a realistic assessment of prospects for the Federation during the next three years. It is an illustration of the fundamental strength of the country's economy that such estimates are compatible with an annual increase in real national income per head which, if low compared with the earlier post-federation years, is nevertheless high by world standards.

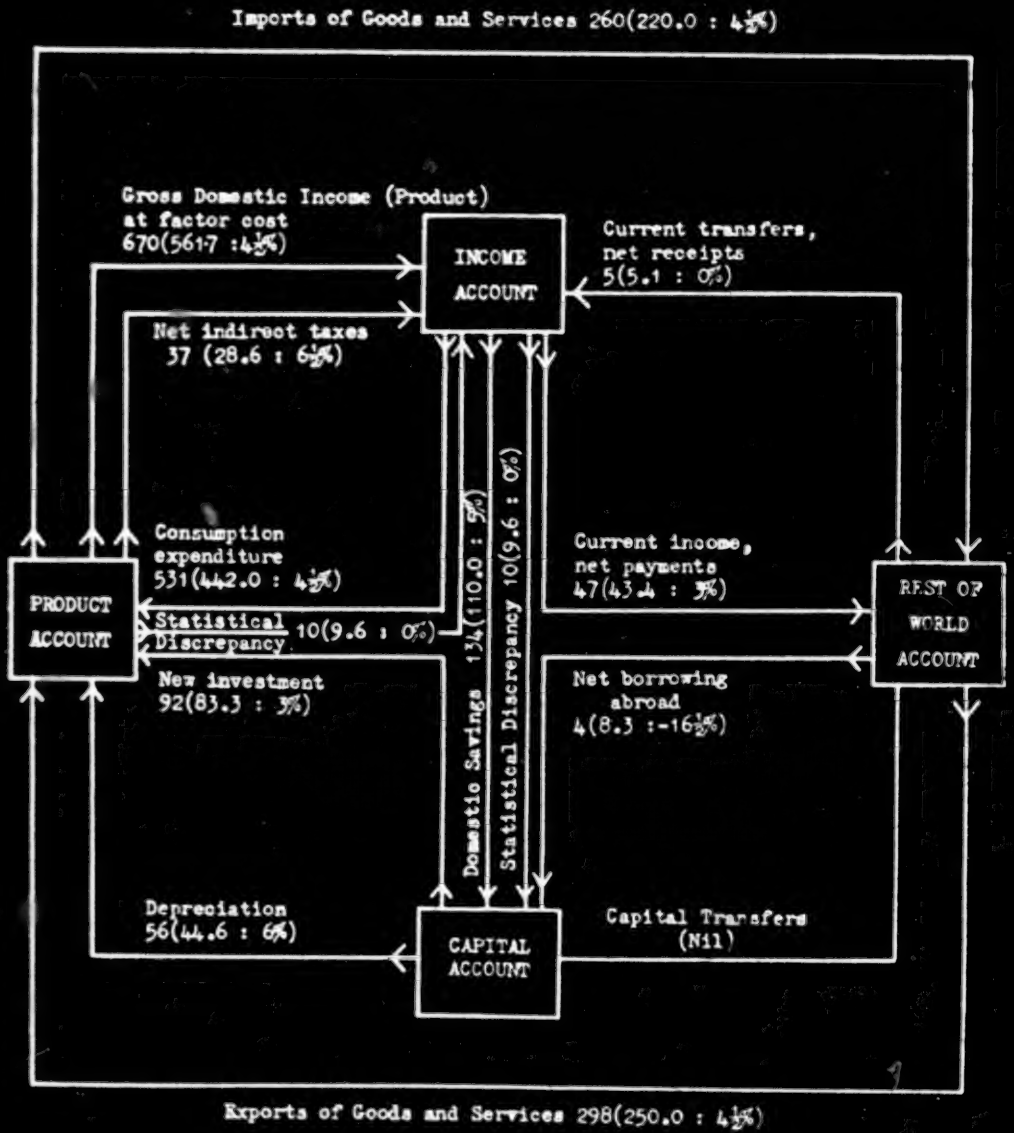
Using the forecast of the gross domestic product as the major element, together with certain further assumptions, a skeleton set of national accounts for 1965 has been estimated and is set out below in the form of a 'flow diagram'. It is not considered practicable to attempt to forecast changes in price levels and the figures shown are estimated in terms of constant prices. As such, the forecasts show the equivalent of real terms on the assumption of constant internal and external 'terms of trade'.

The 'flow diagram' compares the estimated figures for 1965 with the actual figures for 1961. The latter figures are shown in brackets, together with the implied average annual compound rate of growth for the period 1961–65. For purposes of forecasting, it is assumed that the 'statistical discrepancy' for 1965 will be of the same order of magnitude as that for 1961.

NATIONAL ACCOUNTS FLOW DIAGRAM FOR THE FEDERATION

1965 ESTIMATE COMPARED WITH 1961 ACTUAL (LATTER FIGURES IN BRACKETS TOGETHER WITH IMPLIED AVERAGE ANNUAL COMPOUND RATE OF GROWTH)

£ million. Constant 1961 Prices.


Imports of Goods and Services 260(220.0 : 4½%)
Gross Domestic Income (Product) at factor cost 670(561.7 :4½%)
INCOME ACCOUNT
Current transfers, net receipts 5(5.1 : 0%)
Net indirect taxes 37 (28.6 : 6½%)
Consumption expenditure 531(442.0 : 4½%)
PRODUCT ACCOUNT
Statistical Discrepancy 10(9.6 : 0%)
New investment 92(83.3 : 3%)
Domestic Savings 134(110.0 : 5%)
Statistical Discrepancy 10(9.6 : 0%)
Current income, net payments 47(43.4 : 3%)
REST OF WORLD ACCOUNT
Net borrowing abroad 4(8.3 :-16½%)
Depreciation 56(44.6 : 6%)
CAPITAL ACCOUNT
Capital Transfers (Nil)
Exports of Goods and Services 298(250.0 : 4½%)

SUMMARY TABLES
OF PART I OF THE GROSS CAPITAL INVESTMENT PROGRAMME OF FEDERAL GOVERNMENT MINISTRIES, DEPARTMENTS AND STATUTORY BODIES 1st JULY, 1962 TO 30th JUNE, 1965

A. *Expenditure by Items and Groups*

Page Number in Plan	Group	Ministry	Item	Loan Votes		Estimated Revenue Votes		Special Resources	Total 1962–1965
				Ministry of Works	Other	Ministry of Works	Other		
						(£ *thousands*)			
7	Economic Services	Transport	1. General	—	—	—	180	—	180
7			2. Roads and Bridges	—	2,000	—	1,400	612	4,012
9			3. Civil Aviation	292	126	—	230	—	648
10			4. Meteorological Services	42	—	—	30	—	72
10			5. Central African Airways	—	310	—	—	2,178	2,488
11			6. Rhodesia Railways	—	1,500	—	—	10,155	11,655
12			7. Lake Services and Harbours	—	32	—	—	—	32
12		Posts	8. Posts and Tele-communications	656	2,200	—	1,750	—	4,606
13		Power	9. Federal Power Board	—	—	—	—	3,754	3,754
14			10. Southern Rhodesia E.S.C.	—	2,281	—	—	502	2,783
14			11. Nyasaland E.S.C.	—	411	—	—	132	543
15		Economic Affairs	12. Lake Kariba Development	—	23	—	—	—	23
16			13. Agricultural Research Council	—	—	—	175	—	175
16		Agricul-ture	14. General	71	—	—	950	—	1,021
16			15. Regional Planning	—	52	—	—	—	52
17			16. Dairy Marketing Board	—	261	—	—	210	471
17			17. Grain Marketing Board	—	605	—	—	105	710
18			18. Cold Storage Commission	—	450	—	—	405	855
18			19. Tobacco Research Board	—	—	—	—	60	60
18			20. Agricultural Expansion	—	540	—	—	—	540
19		Finance	21. Land Bank: Southern Rhodesia	—	900	—	—	1,920	2,820
29			22. Land Bank: Northern Rhodesia	—	250	—	—	474	724
21		Commerce and Industry	23. Assize	19	—	—	—	—	19
21			24. Government Central Stores	15	—	—	—	—	15
21	Social Services	Education	25. Educational Services	1,801	—	—	1,200	—	3,001
22		Health	26. Health Services	1,833	—	—	130	—	1,963
19		Agricul-ture	27. African Agricultural College	60	—	—	—	—	60
23		Home Affairs	28. Federal Broadcasting Corporation	—	151	—	—	—	151
24			29. National Parks	60	153	—	15	—	228
24	General Adminis-trative Services	Home Affairs	30. Departmental Buildings	62	—	—	—	—	62
24		Works	31. Land Acquisition	120	—	—	—	—	120
25			32. Miscellaneous Public Works	174	—	—	—	—	174
25			33. Housing	2,570	—	—	—	—	2,570
25			34. Departmental Buildings	32	—	—	—	—	32
25			35. General	—	—	3,000	—	—	3,000
20		Finance	36. General	—	—	—	50	—	50
20			37. Customs and Excise	124	—	—	—	—	124
20			38. Printing and Stationery	202	—	—	25	—	227
26		Law	39. Prisons	1,628	—	—	70	—	1,698
26		Defence	40. Army and Air Force Buildings	—	—	900	—	—	900
26	Miscella-neous	Unallo-cated	41. Contingency	—	3,110	—	—	—	3,110
			Sub-total	9,761	15,355	3,900	6,205	20,507	55,728
			Less underspendings carried forward	200	100	—	—	—	300
			TOTAL	9,561	15,255	3,900	6,205	20,507	55,428

B. *Expenditure by Years*

	1962–63	1963–64	1964–65	Total 1962–65
		(£ *thousands*)		
Loan votes:				
Ministry of Works	4,172	2,865	2,724	9,761
Other	4,570	4,809	5,976	15,355
	8,742	7,674	8,700	25,116
Estimated capital expenditure on Revenue Votes:				
Ministry of Works	1,400	1,250	1,250	3,900
Other	2,230	2,075	1,900	6,205
	3,630	3,325	3,150	10,105
Special Resources: (Expenditure by Statutory bodies from depreciation and other reserves and own resources; and specially financed investments)	8,424	6,402	5,681	20,507
SUB-TOTAL	20,796	17,401	17,531	55,728
Plus underspendings brought forward:				
Loan Votes:				
Ministry of Works	—	+600	+400	—
Other	—	+100	+100	—
	—	+700	+500	—
Less underspendings carried forward:				
Loan Votes:				
Ministry of Works	−600	−400	−200	−200
Other	−100	−100	−100	−100
	−700	−500	−300	−300
Total Expenditure:				
Ministry of Works:				
Loan Votes	3,572	3,065	2,924	9,561
Revenue Votes	1,400	1,250	1,250	3,900
Other:				
Loan Votes	4,470	4,809	5,976	15,255
Revenue Votes	2,230	2,075	1,900	6,205
Special Resources	8,424	6,402	5,681	20,507
TOTAL	20,096	17,601	17,731	55,428

DEVELOPMENT PLAN, 1962-65

ESTIMATE OF RESOURCES

Item	1962–63	1963–64	1964–65	Total 1962–65
		(£ *thousands*)		
Estimated capital expenditure on Revenue Votes	3,630	3,325	3,150	10,105
Loan Recoveries	1,450	1,458	1,612	4,520
Contractor Finance (Roads)	462	150	—	612
Special Resources:				
Federal Power Board:				
Kariba	1,040	10	10	1,060
Nkula	655	1,320	719	2,694
Rhodesia Railways	4,627	3,158	2,370	10,155
Southern Rhodesia Electricity Supply Commission	198	213	91	502
Nyasaland Electricity Supply Commission	45	44	43	132
Grain Marketing Board	35	35	35	105
Cold Storage Commission	135	135	135	405
Dairy Marketing Board	70	70	70	210
Tobacco Research Board	34	14	12	60
Central African Airways	378	455	1,345	2,178
Land Bank:				
Southern Rhodesia	600	640	680	1 920
Northern Rhodesia	145	158	171	474
	13,504	11,185	10,443	35,132
Plus Net Balance from 1961–62	994	—	—	994
	14,498	11,185	10,443	36,126
Net Amount to be borrowed	5,598	6,416	7,288	19,302
TOTAL	20,096	17,601	17,731	55,428